59 PET & LIBYA EXCISE

DECLASSIFIED

Department of State TELEGRAM

272

SECRET 513

PAGE 01 TRIPOL 01511 272026Z

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY cf DATE 8/7/81
PORTIONS DENIED AS INDICATED

89-81
ACTION AF-05

INFO OCT-01 SS-20 NSC-10 NSCE-00 L-02 INR-06 CIAE-00

NSAE-00 E-02 PRS-01 INT-01 RSR-01 RSC-01 /050 W
109758

R 271436Z JUN 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 6520
INFO AMEMBASSY BENGHAZI

S E C R E T TRIPOLI 1511

LIMDIS

SUBJ: OIL NEGOTIATIONS

REF: TRIPOLI 1439 AND 1457

1. JALLUUD TOLD ME JUNE 26 THAT AFTER MEETING REPORTED TRIPOLI 1352 HE HAD DECIDED THAT IT WOULD BE USEFUL FOR HIM TO TALK TO HEADES OF ESSO AND OCCIDENTAL. HE SAID THAT HE HAD HAD ONE LONE MEETING WITH WYNNE OF ESSO AND TWO WITH WILLIAMSON OF OXY. ALTHOUGH MEETINGS HAD BEEN USEFUL IN EXTENDING HIS OWN KNOWLEDGE, RESULTS HAD FRANKLY BEEN DISAPPOINTING. [redacted] B4

2. ESSO OFFER PARTICULARLY DISAPPOINTING SINCE SO-CALLED "ENHANCEMENT OFFER" WAS LESS THAN ESSO'S ORIGINAL BID. I WAS ANXIOUS AVOID SPECIFICS OF THIS COMPLICATED MATTER AND ANXIOUS ABOID USG INVOLVMENT IN DETAILS. I THEREFORE CONFINED MYSELF TO OBSERVATION THAT I UNDERSTOOD THERE MAY HAVE BEEN SOME MISUNDERSTANDING BETWEEN ESSO AND MABRUUK RE NET VALUE OF FIRST ESSO OFFER AND PERHAPS JALLUUD WOULD WANT TO LOOK INTO MATTER FURTHER. JALLUUD EXPRESSED SURPRISE AND SAID THAT HE WOULD DO SO.

3. I ASKED JALLUUD WHAT RESULTS HAD BEEN WITH OXY. JALLUUD TO MY SURPRISE INDICATED THAT HE WAS NOT AWARE OF ANY OFFER AS YET BY OXY. NEVERTHELESS HE WAS MORE ENCOURAGED BY THEIR GENERAL ATTITUDES THAN HE WAS THOSE OF ESSO. [redacted]

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TRIPOLI 1511, 6-2770

[redacted] B4

4. I ASKED JALLUUD IF IT WERE TRUE THAT MAGHRABI HAD RETURNED. JALLUUD CONFIRMED HE HAD. I ASKED JALLUUD WHETHER THIS MEANT THAT NEGOTIATIONS WHICH ESSO HAD BEEN CONDUCTING WITH MINISTRY WOULD NOW REVERT TO POSTED PRICE COMMITTEE. JALLUUD CONFIRMED THAT THIS WOULD BE THE CASE. IN RESPONSE MY QUERY AS TO WHETHER HE HIMSELF WOULD BE ATTENDING THE MEETINGS AS HE HAD EARLIER INDICATED, JALLUUD SAID THAT HE DOUBTED HE WOULD DO SO BUT WOULD INSIST ON BEING KEPT FULLY INFORMED.

5. COMMENT: WE HAD THOUGHT WE HAD A NEW BALL GAME WITH MAGHRABI OUT OF THE LINEUP. IT NOW BEGINS TO LOOK LIKE THE SECOND GAME OF A DOUBLE HEADER. I WOULD PREFER TO DEFER FURTHER COMMENT UNTIL WE CAN SORT SOME OF THIS OUT AND GET A CLEARER VIEW OF THE LIKELIHOOD OF RAIN. GP-4.
PALMER